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## H.R. 3572, DHS Headquarters Reform and Improvement Act of 2015, as amended

### FLOOR SITUATION

On Tuesday, October 20, 2015, the House will consider [H.R. 3572](#), the DHS Headquarters Reform and Improvement Act of 2015, as amended, under suspension of the rules. H.R. 3572 was introduced on September 18, 2015 by Rep. Michael McCaul (R-TX) and was referred to the Committee on Homeland Security, which ordered it reported by voice vote on September 30, 2015.

### SUMMARY

H.R. 3572 makes numerous reforms to the Department of Homeland Security's (DHS) policy structure, management functions, and acquisition processes to strengthen the Department's ability to oversee its programs and ensure they are operating transparently and effectively.

Specifically, Title I of the bill:

- Establishes an Office of Policy within DHS and an Under Secretary for Policy;
- Sets forth responsibilities of the Under Secretary for Policy, which include serving as the principal policy advisor to the Secretary, overseeing and coordinating relationships with outside stakeholders, and managing and coordinating DHS's international activities;
- Consolidates three existing offices and eliminates five Assistant Secretary positions;
- Prohibits the Secretary from appointing additional Assistant Secretaries without congressional approval;
- Prohibits the creation of any new office(s) to carry out the functions that have been transferred from offices eliminated by the bill;
- Requires the Secretary to complete a review of the Department's international affairs offices, functions, and responsibilities of DHS components to identify and eliminate areas of unnecessary duplication;
- Requires DHS to conduct a Quadrennial Homeland Security Review (QHSR), every four years, beginning in fiscal year 2017, and ensure that it includes an examination of how the tools and resources developed during the QHSR review can be used to support DHS missions and programs, a description of how the conclusions will inform efforts to develop capabilities and

capacity of the homeland security enterprise, and proposed changes, to the authorities, organization, governance structure, and/or business practices, of the Department;

- Requires the Under Secretary for Management (USM) to serve as DHS's Chief Management Officer, who will be responsible for the management and administration of all DHS operations and programs;
- Requires the USM to submit to Congress an accounting of the management and administrative expenditures and activities of the components, an examination of the size, experience level, and footprint of the operational personnel of the Department; and recommendations to reduce deficiencies and enhance efficiencies in the management and administration of the Department; and,
- Authorizes the Chief Financial Officer to be responsible for developing and overseeing the Department's financial management policy and leading and providing guidance on performance-based budgeting practices.

## Title II:

- Authorizes the USM to be the Chief Acquisition Officer of the Department and exercise the authority to approve, halt, modify, or cancel major acquisition programs;
- Requires each major acquisition program to have a Department-approved acquisition program baseline to document that it is meeting agreed-upon cost, schedule, and performance thresholds;
- Authorizes the USM to establish a mechanism to prioritize improving the accountability, standardization, and transparency of major acquisition programs to increase effectiveness and efficiency;
- Codifies an existing entity within DHS called the Acquisition Review Board (ARB) and includes provisions to strengthen accountability and uniformity within the DHS acquisition review process;
- Requires the ARB to meet each time a major acquisition program needs approval to move from one acquisition phase to another, which ensures that programs do not move forward without appropriate oversight;
- Outlines six responsibilities for the ARB, which include, conducting systematic reviews of acquisitions; validating the acquisition documents of each major acquisition program, including the acquisition program baseline; and reviewing the cost, schedule, and performance objectives of major acquisitions;
- Requires the Secretary to provide a report to Congress if a major acquisition program is allowed to move to the next acquisition phase before the program has an approved acquisition program baseline. The report must include a justification for that decision;
- Requires the Deputy Secretary, with the USM, to establish policies to reduce unnecessary duplication and inefficiency of the Department's investments and major acquisition programs;
- Requires the Deputy Secretary and the USM to meet at least quarterly with components to ensure that they are not overlapping or duplicating activities or investments;
- Requires a Government Accountability Office (GAO) report on the ARB's effectiveness and the Department's efforts to reduce unnecessary duplication in acquisition programs;
- Allows the DHS Inspector General to audit grant and procurement award decisions to ensure entities that are suspended or debarred from receiving federal funds are not improperly receiving those awards;
- Requires congressional notification when major acquisition programs breach, or do not meet cost, schedule, or performance requirements;

- Establishes notification reporting requirements within DHS when breaches occur and requires DHS to issue a remediation plan;
- Requires program managers to notify the Secretary and the DHS Inspector General within 5 business days of when programs experience cost overruns of more than 15 percent or schedule delays of longer than 180 days than what is in approved acquisition program baselines. When such a breach occurs, the bill requires program managers to complete a remediation plan and conduct an analysis to determine the specific cause(s) of the breach;
- Requires the USM to notify Congress if a major acquisition program is likely to exceed its acquisition program baseline's costs by more than 20 percent or its schedule by more than 12 months;
- Requires DHS to develop a Multiyear Acquisition Strategy to guide the direction of the Department's acquisitions while allowing flexibility to deal with ever-changing threats and risks and to help industry better understand, plan, and align resources to meet the Department's future acquisition needs;
- Requires GAO to assess the effectiveness of the Department's first Multiyear Acquisition Strategy within 180 days of its submission to Congress; and,
- Requires the DHS Inspector General to conduct a review no later than 2 years following the submission of the Multiyear Acquisition Strategy report to Congress to determine whether the Department has complied with the strategy and requirements to provide the ARB with a capability development plan for each major acquisition.

## **BACKGROUND**

The Department of Homeland Security (DHS) "was created through the integration of all or part of 22 different federal departments and agencies into a unified, integrated Department."<sup>1</sup> The mission of DHS includes "preventing terrorism and enhancing security; managing our borders; administering immigration laws; securing cyberspace; and ensuring disaster resilience."<sup>2</sup> The Department is composed of various components, directorates, and offices that assist in carrying out its mission.<sup>3</sup> The Department's organizational chart can be found [here](#).

However, partly as a result of fragmented congressional jurisdiction over homeland security issues, the Department has operated in many instances without congressional authorization and direction. This less than robust oversight has permitted DHS, in some instances, to operate its programs and offices in a manner that does not always advance its mission as efficiently and effectively as possible. H.R. 3572 is designed to strengthen congressional oversight of the Department and ensure that its management and acquisition programs are focused more directly on securing the homeland as cost-effectively as possible.

## **COST**

A Congressional Budget Office (CBO) cost estimate is currently unavailable.

## **STAFF CONTACT**

For questions or further information please contact [Jerry White](#) with the House Republican Policy Committee by email or at 5-0190.

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<sup>1</sup> <http://www.dhs.gov/creation-department-homeland-security>

<sup>2</sup> <http://www.dhs.gov/mission>

<sup>3</sup> <http://www.dhs.gov/components-directorates-and-offices>